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8 VARIAN MEDICAL SYSTEMS, INC.

9 UNITED STATES DISTRICT COURT
10 NORTHERN DISTRICT OF CALIFORNIA
11 SAN FRANCISCO DIVISION
12

13 UNIVERSITY OF PITTSBURGH OF THE
COMMONWEALTH SYSTEM OF HIGHER
14 EDUCATION d/b/a UNIVERSITY OF
PITTSBURGH, a Pennsylvania non-profit
15 corporation (educational),

16 Plaintiff,

17 v.

18 VARIAN MEDICAL SYSTEMS, INC., a
Delaware corporation,

19 Defendant.
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Case No. CV 08-02973 MMC

**REPLY REQUEST FOR JUDICIAL
NOTICE IN SUPPORT OF VARIAN'S
MOTION TO DISMISS PLAINTIFF'S
CLAIMS PURSUANT TO FED. R.
CIV. P. 12(B)(6) BASED ON THE
DOCTRINE OF RES JUDICATA**

Date: September 5, 2008
Time: 9:00 a.m.
Courtroom: 7, 19th Floor

1 In addition to the requests made by Defendant Varian Medical Systems, Inc. (“Varian”) in
 2 its Request for Judicial Notice in Support of Varian’s Motion to Dismiss Plaintiff’s Claims
 3 Plaintiff’s Claims Pursuant to Fed. R. Civ. P. 12(b)(6) Based on the Doctrine of Res Judicata,
 4 filed on July 23, 2008, Varian respectfully requests that this Court take judicial notice of the
 5 following additional documents, pursuant to Federal Rule of Evidence 201, in support of Varian’s
 6 Motion to Dismiss.

7 1. Plaintiff’s Response to Defendant’s Motion to Dismiss and for Entry of Final
 8 Judgment in *University of Pittsburgh v. Varian Medical Systems, Inc.*, Case No. 2:07-cv-00491-
 9 AJS, in the United States District Court for the Western District of Pennsylvania (the “Penn.
 10 Case”) dated May 27, 2008 (Doc. No. 300). A true and correct copy of this document is attached
 11 hereto as Exhibit A.

12 2. Plaintiff’s letter stating its issues on appeal, transmitted pursuant to Federal Circuit
 13 Rule 30(b)(2) by Roderick R. McKelvie of Covington & Burling LLP to Eric L. Wesenberg of
 14 Orrick, Herrington & Sutcliffe LLP, in *University of Pittsburgh v. Varian Medical Systems, Inc.*,
 15 Case No. 2008-1441, in the proceeding before the United States Court of Appeals for the Federal
 16 Circuit (the “CAFC Case”), dated July 14, 2008. A true and correct copy of this document is
 17 attached hereto as Exhibit B.

18 DISCUSSION

19 The documents attached hereto are properly subject to judicial notice under Federal Rule
 20 of Evidence 201 and established precedent.

21 **A. This Court Should Take Judicial Notice of Pleadings in the Prior Patent** 22 **Action Between the Parties in the Western District of Pennsylvania (Exhibit** **A)**

23 It is appropriate for the Court to take judicial notice of the filing of a court pleading, and
 24 its entry in court records. *Hunt v. Check Recovery Sys.*, 178 F. Supp. 2d 1157, 1160 (N.D. Cal.
 25 2007) (“Judicial notice may be taken of “adjudicative facts” such as court records, pleadings and
 26 other facts not subject to reasonable dispute and either “generally known” in the community or
 27 “capable of accurate and ready determination by reference to sources whose accuracy cannot be
 28 reasonably questioned.”); *Shropshire v. Fred Rappoport Co.*, 294 F. Supp. 2d 1085, 1091 & n.1

(N.D. Cal. 2003) (taking judicial notice of the documents and pleadings filed in a state court action); *Western Federal Sav. & Loan Ass'n v. Heflin Corp.*, 797 F. Supp. 790, 792 (N.D. Cal. 1992) (taking judicial notice of an entire state court action file involving a judicial foreclosure, including both complaint and answer); *Rayon-Terrell v. Contra Costa County*, No. C-02-2759, 2004 U.S. Dist. LEXIS 22028, at *3 (N.D. Cal. 2004) (taking judicial notice of defendant's answer); *Piper v. RGIS Inventory Specialists, Inc.*, 2007 U.S. Dist. LEXIS 44486, at *3 & n.1 (N.D. Cal. 2007) (taking judicial notice of pleadings in various actions).

Consequently, the Court may take judicial notice of Exhibit A for the fact that it was filed and that the statements contained therein were made to the court in the Penn. Case).

B. This Court Should Take Judicial Notice of Plaintiff's Federal Circuit Rule 30(b)(2) Letter Stating the Issues on Appeal in a Related Action (Exhibit B)

It is appropriate for the Court to take judicial notice of materials from another proceeding, such as a letter transmitted pursuant to Court rules stating the issues on appeal in an appellate case. *See Pueblo of Sandia v. United States*, 50 F.3d 856, 862 n.6 (10th Cir. 1995) (appellate court deciding to take judicial notice of various letters even though they were not part of the record in the trial court); *Cactus Corner, LLC v. United States Dep't of Agric.*, 346 F. Supp. 2d 1075, 1091-1100 (E.D. Cal. 2004) (noticing government letter entitled "Clementine Stakeholder Letter" even though it was not part of the record); *Brewer v. United States*, 390 F. Supp. 2d 1378, 1379 (S.D. Ga. 2005) (taking judicial notice of a letter from another proceeding).

Federal courts do so because the existence of documents from other proceedings, including appeals, are not subject to reasonable dispute. *Cactus Corner*, 346 F. Supp. 2d at 1091 (Federal courts may "take notice of proceedings in other courts, both within and without the federal judicial system, if those proceedings have a direct relation to the matters at issue."); *Corder v. Gates*, 104 F.3d 247, 248 & n.1 (9th Cir. 1996) (granting defendant's motion for the court to take judicial notice of briefs and records in two earlier appeals).

Consequently, the Court may take judicial notice of Exhibit B for the fact that it was part of the CAFC proceeding and that the statements contained therein were made as part of that proceeding.

CONCLUSION

For the foregoing reasons, Varian respectfully requests that the Court take judicial notice of each of the documents referenced herein and attached hereto.

Dated: August 22, 2008.

WILLIAM L. ANTHONY
MATTHEW H. POPPE
ZHENG LIU
ORRICK, HERRINGTON & SUTCLIFFE LLP

By: /s/ Matthew H. Poppe
Matthew H. Poppe
Attorneys for Defendant
VARIAN MEDICAL SYSTEMS, INC.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the REPLY REQUEST FOR JUDICIAL NOTICE IN SUPPORT OF VARIAN'S MOTION TO DISMISS PLAINTIFF'S CLAIMS PURSUANT TO FED. R. CIV. P. 12(B)(6) BASED ON DOCTRINE OF RES JUDICATA was served upon the University of Pittsburgh, through its counsel, via:

_____	Hand-Delivery
_____	Facsimile
_____	First Class, US Mail, Postage Prepaid
_____	Certified Mail-Return Receipt Requested
<u> X </u>	ECF Electronic Service
_____	Overnight Delivery

at the following addresses:

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Dated: August 22, 2008

/s/ Matthew H. Poppe
Matthew H. Poppe

EXHIBIT A

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

UNIVERSITY OF PITTSBURGH)	ELECTRONICALLY FILED
)	
Plaintiff,)	
)	
v.)	Civil Action No. 2:07-CV-00491-AJS
)	
VARIAN MEDICAL SYSTEMS, INC.)	Judge Arthur J. Schwab
)	
Defendant.)	

**PLAINTIFF'S RESPONSE TO DEFENDANT'S MOTION TO DISMISS AND FOR
ENTRY OF FINAL JUDGMENT**

TO THE HONORABLE UNITED STATES DISTRICT JUDGE SCHWAB:

University of Pittsburgh ("UPitt") respectfully responds to Varian's motion to dismiss counterclaims without prejudice and for entry of final judgment (Docket No. 296). As the Court noted on May 16, 2008, Varian's motion seeks two different rulings by the Court: (1) dismissal of Varian's counter-claims and (2) entry of judgment. Varian's motion should be denied to the extent that Varian seeks to characterize the dismissal of counterclaims differently from the dismissal of UPitt's claims. First, this Court already dismissed Varian's counter-claims with prejudice when it dismissed the action in its Order of April 20, 2008. Although UPitt believes that the dismissal did not constitute a separate order compliant with Fed. R. Civ. P. 58(a), the intent to dismiss the complaint and counter-claims was clear from the Court's Order.

Varian's motion is premised on its misunderstanding the plain meaning of the Court's April 30, 2008 Order (Docket No. 294)¹. The Court stated that it dismissed "this action with prejudice." The Court did not only dismiss the complaint; rather, it also dismissed the answer

¹ Order Adopting Special Master's Report and Recommendation (Doc. No. 254) in Part; and Granting Defendant's Motion for Summary Judgment for Lack of Standing (Doc. No. 127).

and counter-claims – the entire action.² Moreover, “The term ‘action’ encompasses the entire proceedings in the district court, signifying that the order of dismissal terminated USI’s counterclaims.” *Walter Kidde Portable Equipment, Inc. v. Universal Sec. Instruments, Inc.*, 479 F.3d 1330, 1335 (Fed. Cir. 2007).

Varian asserted two counterclaims: (1) invalidity and (2) non-infringement. *See* Varian Medical Systems Inc.’s Answer and Counterclaims, Docket No. 20, at 4-5. As explained in *H.R. Technologies, Inc. v. Astechologies, Inc.*, 275 F.3d 1378, 1386 (Fed. Cir. 2002), if the plaintiff lacks standing to assert an infringement claim, then the defendant does not have the correct party (or parties) to assert a counter-claim of non-infringement. *See also* *Kidde*, 479 F.3d at 1339-1340 (discussing application of *H.R. Technologies*). The same logic applies to Varian’s invalidity counterclaim, resulting in dismissal of that claim as well. Thus, Varian’s motion should be denied; and, the entire action should be dismissed pursuant to Fed. R. Civ. P. 58(a).

Regarding the form of the dismissal, UPitt believes that the entire action should have been dismissed *without prejudice*, not *with prejudice*. “Because lack of standing is not an issue that goes to the merits of the underlying patent issues, a dismissal of a complaint for lack of standing would *not normally* be expected to be made with prejudice.” *H.R. Technologies*, 275 F.3d at 1384 (emphasis added). This is especially true when it is apparent that the standing can be easily cured, which is the case here. *Id.* (“In this case, the district court concluded that HRT could cure its standing defect by executing a valid assignment and re-filing its complaint, and that nothing in the first proceeding provided any compelling reason to deprive HRT of the right to seek to enforce its patent.”). The Court’s April 30 Order indicates that standing could be corrected by curing the standing defect. Specifically, the Court held that Carnegie Mellon

² UPitt’s interpretation was confirmed by UPitt’s counsel’s discussions with the Court Clerk on May 12, 2008.

University (“CMU”) is currently a co-owner of the patents-in-suit, and CMU was not a party to the action. *See* April 30, 2008 Order (Docket No. 294), at 2. Thus, UPitt could correct standing by either joining CMU as a party³ or executing a valid assignment. Once standing is corrected, then there should be no impediment to UPitt filing a new complaint; thus, starting a second action. *See H.R. Technologies*, 275 F.3d at 1384 (“In this case, the district court concluded that HRT could cure its standing defect by executing a valid assignment and re-filing its complaint ... the court therefore did not abuse its discretion by dismissing HRT’s complaint without prejudice.”) Thus, the action should be dismissed *without prejudice*.

DATED: May 27, 2008

Respectfully submitted,

/s/ Rita E. Tautkus

Daniel Johnson, Jr. (*pro hac vice*)

Rita E. Tautkus (*pro hac vice*)

Darcy Paul (*pro hac vice*)

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³ The Court could also have joined CMU to the present action. *See Abbott Labs. v. Ortho Diagnostic Sys., Inc.*, 47 F.3d 1128, 1133-1134 (Fed. Cir. 1995) (holding that when a patent owner retains a substantial proprietary interest in the patent and wishes to participate in an infringement action, “the court must allow it to do so.”); *Mentor H/S, Inc. v. Medical Device Alliance, Inc.*, 340 F.3d 1016, 1019 (Fed. Cir. 2001) (noting that Fed. R. Civ. P. 21 permits courts to add parties “at any stage of the action,” and that the appropriate way of seeking joinder is by motion.).

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EXHIBIT B

COVINGTON & BURLING LLP

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July 14, 2008

VIA ELECTRONIC MAIL

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Menlo Park, CA 94025

RE: University of Pittsburgh v. Varian Medical Systems, Inc.
(Appeal Nos. 2008-1441, -1454)

Dear Eric:

As we discussed today and pursuant to Federal Circuit Rule 30(b)(2), University of Pittsburgh provides the following statement of issues it intends to present for review:

- (1) Whether the district court erred in concluding that University of Pittsburgh lacked standing to sue based on its ownership of the patents-in-suit.
- (2) Whether the district court erred in dismissing the University of Pittsburgh's patent infringement claims with prejudice.

While we have agreed to forgo designating materials pursuant to the remainder of Federal Circuit Rule 30(b)(2), we will expect Varian to provide a similar statement of issues it intends to present for review with regard to its cross-appeal.

Sincerely yours,



Roderick R. McKelvie